

## The Effective Factors on Increasing the Export from the Iranian Exporters' Standpoints

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**Abstract:** This research tries to present the effective factors on increasing the export from the standpoints of the Iranian exporters under a model. Finally four main factors influence exports which are: Individual factor (education, experience, export knowledge, public communications), economical factor (export markets, governmental subsidies, export pricing, export marketing), environmental factor (rules and regulations, culture, technology, informal communications, political factor) and product marginal factor (design and packaging, quality of products, guarantee and after-sell services, distribution canals, products' brands). The analysis of the results shows that among the effective factors on increasing the export from the standpoints of exporters in the environmental factor (rules and regulations, culture, special communications, technology, political factor), product marginal factor (guarantee and after-sell services, distribution canals, quality of products, brand, design and packaging), individual factor (public communications, export knowledge, education, working experience), economical factor (export marketing, governmental subsidies, export pricing, export markets) are important and effective respectively.

**Key words:** Effective factors % Iranian exporters % Iran

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### INTRODUCTION

Islamic Republic of Iran is one of the countries exporting goods in terms of petroleum/ non-petroleum export which may be more active than this in the commercial scope due to having different resources such as sea, mines, etc.

The reinforcement of export has lots of advantages including volume production, provision of money profit, increasing the rate of employment, quality improvement and price reduction of the products. It is obvious that using proper patterns is necessary in order to utilize the advantages of export more in obtaining economical growth and development. Among the important factors which can indicate the direction of the export movement are success factors [1].

The identification of these factors which may be located in different export, technology, investment, production, political scopes, etc leads to better concentration/control and the increase in the chance of the success of export companies. By selecting the target market not only the possibility of providing the wants and extending the expectations of the customers, but also

presenting suitable goods according to the needs and interests of foreign consumers finds a dynamic/proper form [2].

The reinforcement of export has lots of advantages including volume production, provision of money profit, The direction of this research is a location based on which first the researcher gathers the data and then a comprehensive model was presented based on it. In addition, this research was performed by cooperating with Iranian commerce development organization and its experts which tries to identify/present all of the factors effective on successful export in Iran.

**Conceptual Model of Research:** Establishing the model in structural equations model is a great pace in the process of which the related structures should be observed and the relationships between them must be identified. The economic/saving should be considered in this model, but it's not necessary to include every possible variable. Including too many structures in the model may lead to its lack of testability. If you eliminate important structures, you would accept the risk of producing an improper/virtual model.

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Fig. 1: Conceptual Model of Research

Many research methodologists believe that first you should select theoretical and then a basis or a mixture of theoretical basics and then present the conceptual model by studying the researches performed in that special theoretical basis [3].

The conceptual frame is a conceptual model of how to make a theory in relation to the relationships between some variables which are defined as the effective factors on the problem. In summary, the conceptual frame shows the mutual relationships between the variables [4]. The conceptual frame presents a conceptual basis for continuing the research and this conceptual frame is not something other than the determination of the web of the relationships among the variables. For this reason understanding the concept of the variable and different types of the variables is very important.

As seen in the graph, the extracted model shows that the identified factors are effective on export. This graph depicts the conceptual model of the present research which indicates the relationship between the variables of the research. Four factors are effective on successful export based on the model which is individual factors (FAC1), economical factors (FAC2), environmental factors (FAC3) and product marginal factors (FAC4).

Each of these factors is evaluated via a series of parameters. For instance, the first factor (individual) is evaluated by four parameters and the fourth factor (product marginal) by five ones.

**Research Method:** The basis of any science is its knowledge method and the validity/value of rules depends upon the knowledge method used in it. Research method is concluded as a special/separated meaning/concept in scientific texts. This conclusion has overlaps/interdependencies and the research method is a collection of valid/organized rules, tools and ways for investigating the facts, discovering the unknown things and obtaining the solution of problems.

The present research is ranked among coherence researches in terms of applied goal and procedure. Explanatory factor analysis (EFA) and confirmatory factor analysis (CFA) methods are used for analysis.

According to the main/marginal purposes of the research and the main questions of this study, it tries to answer the questions presented along the main question of the research. In general the main question of the research to which the researcher conforms is presented as below:

What are effective factors on increasing export from the standpoints of Iranian exporters? Which model can evaluate them?

**Data Investigation for Analysis:** Kaiser-meyer-olkin (KMO) Test: This test determined the suitability of the data for making the analysis. The value of this statistic changes in the range of 0-1 and if the sample is suitable, its value should be greater than 0.5. Here this value equals 0.646 and therefore factor analysis for this collection is suitable.

The necessity of performing factor analysis is that the conformity between the variables is not zero, but if the conformity matrix is the same conformity, it means that all of the indices are zero. If Bartlett test is meaningful, it means that the conformity matrix is not the same matrix and there is conformity between the variables. In this performing the factor analysis is possible. Here P-value is less than 0.001 and therefore performing factor analysis is suitable

**Investigation of the Goodness of Fit Indices (GFI):** There are different indices exist for determination the fitness of the model with the reality some of which are used in this model. In general, these indices are divided into three categories: absolute, relative and balanced.

**Absolute Indices:** These indices include RMSR, GFI, AGFI which are defined as the ratio of  $X^2$  to the degree of freedom in an ideal fit. RMSR is the average root of errors square root which must be close to zero. AGFI and GFI do not depend on the size of the sample. The value of GFI and AGFI should be greater than 0.9 and close to 0.9 or higher, respectively. The value of GFI1 and AGFI were calculated as much as 0.83 and 0.78 for this research respectively which indicate the suitability of the model with the reality.

**Relative Indices:** These indices such as NFI are influenced by the volume of the sample and that is why they are not recommended. These indices compare fitness in the model and usually it is possible in comparison or

zero models that only variances are considered in it, while covariance is ignored. In these indices NFI should be greater than 0.9 in comparison with so that the model could be a proper one. Other indices such as TLI, NNFI are like NFI whose values must be greater than 0.9. In addition, CFI is like NFI, but it compensates the effects of sample's volume whose value in the desired model should be greater than 0.9.

**Balanced Indices:** Like PGFI and RMSEA, these indices are among balanced indices. PGFI is calculated based on GFI. In addition, RMSEA should be less than 0.05 (of course values greater than 0.08 do not pose any problem for big models). The value of RMSEA 3 and PGFI 4 for this research is obtained as 0.077 and 0.64 respectively which are indices of the mode's fit.

It can be said according to the indices and outputs of Lisrel software that data are approximately matched with the model and the indices presented show the fact that in general the offered model is a suitable one and the experimental data are virtually matched with it.

**Findings and Results:** Reaching extensive markets and commercial successes requires the movement toward the open economics, using marketing strategies and meaningful look at the needs and wants of different customers in various market. On the other hand, there is no doubt that one of the requirements of entry to universal markets and membership in organizations such Universal business organization is to have an effective economical regime which can enter these markets with speed, accuracy and technology on the same level of the developed countries of the world in order to provide the basis of an effective business for producers and exporters.

The present research tries to identify the most important factors which are effective on successful export from the standpoint of the exporters. The amount of coherency among the factors and variables is obtained as below according to the analysis performed and the results of the structural equations models:

In the first factor the amount of the coherency variable, the relationship between public communications and the individual factor have the greatest influence and index which shows the importance of the role of public communications on successful export. In the second factor the amount of the coherency variable, the relationship between export marketing and the economical factor has the highest effect and index which shows the importance of the role of export marketing on successful export.

In the third factor the amount of the coherency variable, the relationship between the rules/regulations of the environmental factor has the greatest influence and index which shows the importance of the role of the rules/regulations of the environmental factor on successful export. In the second factor the amount of the coherency variable, the relationship between guarantee (after-sell services) and the product marginal factor has the highest effect and index which shows the importance of the role of guarantee and services on successful export.

Therefore it can be declared that all factors affect successful export. Finally the applied recommendations below are presented according to the results obtained:

The individual factor is one of the important factors in export such that it may be used for developing export and its success. IT is recommended that the exporters consider the importance/role of public communications in their commercial exchanges from success measures in order to use them. For the economical factor it can be said that this factor is another important factor which is the most obvious index a successful export such that the exporters/businessmen can use the important variable of this factor, i.e. export marketing as one of the known tools for reaching success in the field of export.

In addition, the economical factor in which rules/regulations is identified as the most important index may be the most important criterion in successful export. Finally the product marginal factor which is one of the most important factors among five after the investigations performed (after-sell services) has the most important role in successful export. Iranian production/export companies should consider the importance of this variable in order to direct their export programs for their success in international markets and increasing the export of the country so that they can compete their opponents in the international markets.

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